



INDIA FINSEC LIMITED
NOMINATION & REMUNERATION POLICY



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The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”) read with the Companies Act, 2013 and the Rules framed thereunder, as amended (hereinafter referred as “**Act**”) stipulates for formulation and adoption of policy on nomination and remuneration in relation to directors, key managerial personnel and senior management of a company.

Pursuant to Section 178 (3) of the Act read with Regulation 19 of the Listing Regulations, India Finsec Limited (the “**Company**”) is required to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company (the “**Board**”) a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management; and to align the remuneration of the SMP/key managerial personnel, Directors on the Board and other employees with the longer term interests of the Company. In compliance with the Act and the Listing Regulations, the Company has formulated and approved this Nomination and Remuneration Policy (“**Policy**”) in its duly convened and held meeting of the Board (“**Board**”), dated May 04, 2024.

The Policy shall be effective from the date of approval of the Board.

DEFINITION

- 1) “**Act**” means the Companies Act, 2013 (and the rules framed thereunder).
- 2) “**Board**” means Board of Directors of the Company.
- 3) “**Director**” means a director on the Board of the Company.
- 4) “**Committee**” means the Nomination and Remuneration Committee [of the Company as constituted or re-constituted by the Board.
- 5) “**Company**” or “**The Company**” or “**IFL**” means India Finsec Limited.
- 6) “**Independent Director**” means a Director referred to in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations
- 7) **Key Managerial Personnel (KMP) means:**



- a) the Chief Executive Officer or the managing director or the manager, as applicable;
 - b) the Company Secretary;
 - c) the whole-time director;
 - d) the Chief Financial Officer; and
 - e) such other officer as may be prescribed.
- 8) **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the executive directors, including all functional heads.
- 9) **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and/or the Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them in the Act and/or the Listing Regulations.

OBJECTIVE

The objectives of this Policy are set forth below:

- (a) to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (independent, executive and non-executive) and persons who may be appointed as Key Managerial Personnel and Senior Management positions;
- (b) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (c) to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (d) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and provide necessary report to the Board for further evaluation by the Board; and
- (e) To ensure that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.



CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the board) constituted a committee known as “Nomination and Remuneration Committee” consisting of three or more non-executive directors out of which at least two-thirds are independent directors.

ROLE OF THE COMMITTEE

The role of the Committee shall, inter-alia, include the following:

- I. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- II. for every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- III. devising a policy on diversity of the Board;
- IV. identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- V. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- VI. recommend to the board, all remuneration, in whatever form, payable to senior management.

GUIDING PRINCIPLES

- 1) Laying down criteria and terms and conditions for the identification of persons who are qualified to become Directors (including Independent Directors) and persons who may be appointed in Key Managerial and Senior Management positions and to determine their remuneration.
- 2) Carrying out the evaluation of performance of Directors, Key Management Personnel as well as Senior Management personnel.
- 3) Ensuring that the level and composition of remuneration and the other terms of employment of the Directors, Key Managerial Personnel and Senior Management personnel is reasonable



and sufficient to attract, retain and motivate executives of the Company in order to ensure that the Company can attract and retain competent executives.

- 4) Determining remuneration based on Company's size and financial position and trends and practice on remuneration prevailing in the similar industry. When determining the remuneration policy and arrangements for Directors/ KMP's and Senior Management, the Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

COVERAGE

- 1) Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management personnel:

Appointment and removal of director, key managerial personnel and senior management personnel:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend the same to the Board. Key Managerial Personnel other than Managing Director shall be appointed as per the Act. Senior Management personnel shall be appointed as per the Company's policy formulated in this regard.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee shall have authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as a Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Term:

- a) Managing Director/Whole-time Director: The Company shall not appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board and shall be eligible for re- appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.



No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management personnel yearly or at such intervals as may be considered necessary.

Removal:

The Committee may recommend with reasons to be recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and compliance of the Act and the policy of the Company.

Retirement:

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board shall have the discretion to retain the Director, KMP and Senior Management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to the provisions of the Act, Listing Regulations and applicable law.

2) APPOINTMENT CRITERIA AND QUALIFICATIONS:

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director/SMP/KMP and recommend to the Board his / her appointment.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is being considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Whole- time



Director who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- iv. Any appointment made at Senior Management level shall be placed before the meeting of the Board of Directors of the Company.

3) TENURE OF EMPLOYMENT:

- i. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- ii. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such an Independent Director shall be eligible for appointment after an expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director f a listed company.

4) EVALUATION:

The Committee shall evaluate performance of every Director, KMP and Senior Management personnel at regular period of one year in accordance with the Evaluation Policy of the Company.



POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission, as applicable, to be paid to Managing Director / Whole- time Directors, etc. shall be governed as per provisions of Act or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board or the shareholders of the Company, as the case may be.
- c) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services rendered are of a professional nature; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Remuneration to Key Managerial Personnel and Senior Management:

- ◇ The Remuneration/Compensation/Profit linked Incentive etc. to Directors, Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration/Compensation/Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ◇ The remuneration and commission to be paid to Managerial Personnel shall be as per



the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

- ◇ Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- ◇ If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- ◇ If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Increments if declared to the existing remuneration/compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- ◇ Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

AMENDMENTS TO THE POLICY

This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.

LIMITATION AND AMENDMENT

In the event of any conflict between the Act or the SEBI Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this Policy, the Regulations shall prevail over this Policy. Any subsequent amendment / modification



in the Regulations, in this regard shall automatically apply to this Policy.

The Company reserves its right to alter, modify, add, delete or amend any or all of the provisions of the Policy as it may deem fit or in accordance with the guidelines and regulations as may be issued by Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any other regulatory authority.

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